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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 20th May 1952

No. 12(3)-T.B./51.—The Tariff Board has investigated the claim of the starch industry for an increase in the protective rates of duty on starch, farina and sago flour under Section 4(1) of the Tariff Act, 1934 and submitted its Report. Its recommendations are as follows:—

- (i) So long as the present import control policy is continued, there will be no need to increase the duties on maize starch, farina and sago flour.
 - (ii) Having regard to the facts (a) that a categorical assurance of protection to the starch industry was given by Government in 1944, (b) that a certain minimum quantity of maize starch would be required for the textile industry in any case, (c) that the starch industry provides the basis for a number of other valuable industries, such as penicillin, oils, vitamins, dextrose, glucose, paints, varnishes, sound-proof boards, plastics, proteins and different kinds of valuable cattle feed, it is desirable that the existing protection should be continued and that all other assistance, such as reasonable allocation of maize and facilities for importation of machinery, should continue to be given to the industry.
 - (iii) The present policy, which is a combination of moderate duties with the regulation of imports, while affording adequate protection to the industry, serves to keep the burden of protection at the minimum level. The present measure of protection, however, can be adequate, provided the textile industry, in pursuance of what would amount to its own enlightened self-interest, agrees to support the starch industry by lifting the output of starch so as to prevent its accumulation at the starch factories.
 - (iv) As regards the suitability of tamarind kernel powder as a sizing material, evidence on the subject is conflicting and it has not been possible to record any definite finding on it. Government should however, continue to encourage research and developmental work on tamarind kernel powder and if and when the results are found to be satisfactory, Government should take steps to enlist the co-operation of the cotton textile industry to popularise its use as a sizing agent, particularly in view of the availability of the raw material in the country and the comparative cheapness of the product.
2. As regards (i), having regard to all aspects, Government have decided, with the concurrence of the Tariff Commission, that the protective duties on starch, farina and sago flour should be increased from 20 per cent. (exclusive of surcharge) to 30 per cent (exclusive of surcharge).

3. As regards (ii), Government accept the recommendation that protection to the industry should be continued and have decided, in consultation with the Tariff Commission, that the period should be extended by a further period of three years.

4. As regards recommendation (iv), Government are advised that tamarind kernels, if properly processed, yield a powder suitable for use as starch. They consider that it is desirable for this powder to be used in place of maize and other starches or in admixture with such starches not only in view of its cheapness and the availability of the raw materials in India but also because of the need to restrict imports of maize for use as food only, as far as possible. They, therefore, propose to take suitable measures within six months to ensure compulsory use or sale or admixture of tamarind kernel powder up to 50 per cent. of the total quantity of sizing material used or sold or manufactured by the consumers or dealers or manufacturers except for such special varieties as may be exempted for the purpose.

5. The attention of the textile industry is invited to recommendation (iii).

K. N. KAUL, Joint Secy.